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**II. Shipping Embargo and Naval Blockade**

D. It is unlikely that any of these three courses of action, on the basis of their effects upon the Chinese Communist economy, would impel the Communists to take drastic military action to counter these measures. A naval blockade, however, would increase the danger of hostilities with the USSR. On the basis of the Sino-Soviet Treaty of 1950, the USSR has treaty rights to free use of Port Arthur as a naval base and control over the port of Dairen. Therefore, if Port Arthur and Dairen were included in the blockade the Soviet Union would undoubtedly consider stoppage of its ships a hostile act and, at least, would make issue of this action before competent international bodies.

The USSR would try to step up the flow of supplies from itself and its European satellites to Communist China. The USSR would probably intensify its efforts to offer attractive trade terms to non-Communist countries in order to counter an embargo and blockade and to undermine US moves to secure compliance with these measures. Unless these measures had serious economic effects on Communist China, it does not appear probable that the USSR would openly attempt to break even a full-scale blockade by force. It might, however, resort to covert use of submarines and mines.

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III. Bombing Attacks Throughout China

A. A systematic US air and naval bombardment of Communist China would result in drastic reduction in the Chinese Communist war-making potential, serious disruption of lines of communication, practical elimination of the industrial segment of the Chinese economy, and serious strain on the Chinese Communist capability for administrative control of the country.

B. The Chinese Communists would exploit to the fullest the propaganda opportunities afforded by US air and naval bombardment of China proper and would, as necessary, probably seek increased Soviet assistance. Soviet air units, if committed, would probably be employed in defensive activities and initially probably on a covert basis only, while Soviet submarines would seek to interdict US naval units. If capable, Chinese Communist air units would probably be used offensively in attacks against US bases of operation in Japan, the Ryukyus, and on Taiwan.

If the bombardment were to threaten their administrative control of or drastically curtail the movement of troops in south China by serious disruption of communications the Chinese Communists might evacuate their forces from south China in order to establish a hard core in the north.

If Communist control of any area should break down as a result of communications difficulties, latent anti-Communist sentiment in the area would probably coalesce around guerrilla forces or other leaders who might assert themselves. But it is unlikely that such a movement would gain momentum until a major invasion of the China mainland by anti-Communist forces were effected.

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Popular reaction to US bombing operations would depend on the nature of the operations and on a number of other variables, such as dislike for the Communist regime and the residue of good-will toward the US. Prior to the Nationalist air attacks on Shanghai in February 1950, US observers in Shanghai had estimated that if Chinese Nationalist planes were to bomb targets in the Shanghai area popular reaction probably would be directed against US nationals. However, when those raids actually did take place, some of considerable destructive proportions, in spite of inflammatory Communist propaganda, no hostility toward the US or US nationals was observed and many Chinese were actually seen on the streets cheering on the attacking planes. Thus in the event of heavy US bombardment, if systematically directed only at military and strategic targets and not carried out indiscriminately, in spite of the inevitable Communist propaganda, reaction probably would not be adverse. Negative attitude toward the regime has grown markedly during the past year. Thus numerous elements of the population who harbor resentment toward the regime would probably welcome the attacks. When compared with the numbers already purged by the Communist regime, civilian casualties in such raids probably would not appear too extreme and if the operation gave promise of ultimate elimination of tyranny and the establishment of a popularly acceptable government, genuine anti-American sentiment probably would not be stimulated.

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IV. Support of Guerrilla Operations

A. Guerrilla activities on the China mainland have been substantially reduced as a result of the anti-guerrilla campaign carried out by the Communist regime during the past year. Particularly significant has been the elimination of key guerrilla leaders and potential leaders. Nevertheless, some guerrilla forces still operate in the mountainous areas of southwest and south China and along the southeast China coast. The capability of these forces, however, is limited to that of harassing Communist lines of communication and impeding the program of political consolidation.

In the event of a Nationalist landing on the China coast, it is likely that guerrilla units would move cautiously; if, after a period of waiting to determine the scope and nature of the landing operation, it appeared that prospects for success were good, cooperation of pro-Kuomintang guerrilla organizations could be expected, beginning gradually and mounting in direct proportion to the successful development of the operation.

The limited capability of the guerrillas could not be substantially increased by external materiel aid alone. A Nationalist invasion (without direct US participation) would provide a rallying point around which many pro-Kuomintang guerrillas would probably coalesce but, short of a US operation, it is unlikely that even in conjunction with the Nationalists the guerrillas could soon become a threat to the stability of the Communist regime. It is not likely that many non-Kuomintang guerrillas would be attracted by a purely Nationalist operation, although non-Kuomintang guerrillas might be expected to take advantage of any diversion of Communist forces occasioned by a Nationalist operation against the mainland.

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B. As soon as it became evident to the Chinese Communists that guerrilla activities were on the increase anti-guerrilla operations would be intensified, especially if it became evident that guerrilla forces were being strengthened by external support. At present the guerrilla situation is under such control that the Communists, except in a few isolated areas, have replaced regular troops by local militia in the conduct of the anti-guerrilla campaign. Should the militia be incapable of coping with the situation in any given area regular forces would be quickly committed in numbers adequate to accomplish the mission.

In addition to firm military measures the Communists would probably also initiate a program of terrorism to discourage support of or participation in the guerrilla movement.

These measures would probably be adequate to allow the Chinese Communists to maintain control of the situation and would not require an appeal to the USSR for any substantial increase in assistance.

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V. Chinese Nationalist Attack with US Logistic Support

A. If US aid to the Chinese Nationalists on Taiwan were expanded so as to provide materiel needed for existing ground, air, and naval forces plus such manpower as could be recruited on Taiwan, the Nationalists, after the minimum period of time required to train its invasion forces, probably could establish a sizeable bridgehead on the China coast without further US participation. Whether or not a bridgehead could be consolidated and expanded into a successful invasion would depend to a great degree on the reliability of the Nationalist armies, on the Nationalists' ability to stimulate defection on the mainland, and on the Nationalists' ability to organize, train, and equip sizeable forces on the mainland.

The size of military forces which could be organized on Taiwan would be limited by the island's population and economic resources. Under no circumstances could the Nationalists approach the Communist military manpower; hence, without active US participation, the Nationalists would have to depend on mainland augmentation of forces for a successful invasion, including possibly even the defection of one or more major Communist military units.

Discontent on the mainland appears to be strong and still mounting, both within and outside the Communist governmental organizations. Many potential dissidents would be strongly tempted to defect, as opportunity arose, to a successfully established anti-Pei-p'ing movement which clearly offered some voice and place for all groups and leaders ready to support the free China cause, but they would probably not be attracted by any establishment closely identified with the Kuomintang leadership and system. Consequently, a purely

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Kuomintang operation would almost certainly fail to attract the necessary mainland participants and, therefore, a Nationalist invasion with only US logistical support would ultimately fail and would result merely in the waste of Nationalist manpower.

B. The Chinese Communists would initially meet the invasion with the forces available in the invaded area. Additional forces probably would not be rushed into the area until the scope and nature of the invasion was determined and the extent of US participation were assessed. Since US forces would not be involved, the USSR might conclude that its own air and submarine forces could be used to counter the invasion without serious risk of conflict with the JS. However, the USSR would probably attempt to keep such intervention covert. In spite of commitment in Korea, the Chinese Communists probably possess the military manpower to contain a Nationalist landing and to maintain order within China but would require greatly increased Soviet materiel aid. Soviet aid would probably be substantially increased but so long as JS forces were not directly involved in the invasion the USSR would probably limit its direct participation to the covert employment of air and submarine units. Officially Moscow would probably maintain an attitude of non-intervention but would try to arouse world and especially Asian public<sup>opinion</sup> on behalf of Pei-p'ing against "US aggression."

To some extent, Moscow might not be averse to a Sino-US conflict which might increase Pei-p'ing's dependence on the USSR and keep US troops bogged down in a long, indecisive war. However, Moscow probably would not welcome such a development insofar as it involved a threat to the Pei-p'ing regime.

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placed excessive strains on the Sino-Soviet alliance and/or brought about direct Soviet involvement with the attendant risks of global war.

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VI. Chinese Nationalist Invasion with US Logistic, Naval, and Air Support

A. A Nationalist invasion with US logistic, naval, and air support would probably be construed by Pei-p'ing and by the Kremlin as an indication of a US determination to destroy the Chinese Communist regime. Judging from the sequence of developments in the Korean war, US support of the type indicated would be regarded as a prelude to participation in the invasion effort by US ground forces. In that case the Chinese Communists, despite bold propaganda claims and the evidence of long, unbending Chinese resistance to the Japanese, would probably estimate their survival potential as a de facto government, without full Soviet intervention, including participation of Soviet ground forces, to be low.

B. The Chinese Communists would probably immediately invoke the Sino-Soviet Pact by pressing the USSR to enter the Far Eastern conflict on a war-basis. If the Communists failed to contain the initial beachhead they would probably withdraw inland from the invasion area in order to concentrate their strength and to lengthen the invaders lines of communication. In order to retain the identity of an organizational nucleus, they would continue the withdrawal procedure as far as hostile pressure would require.

Moscow would almost certainly regard a strong US supported Nationalist invasion as a serious threat to its security interests in the Far East; consequently, when it became evident to the Kremlin that Communist control of north China and Manchuria appeared seriously threatened the USSR probably would do whatever was required to uphold the regime, regardless of the risk involved and including, as a last resort, the open commitment of Soviet forces

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against US forces. However, so long as Chinese countermeasures were successful, Moscow would probably prefer to maintain the fiction of non-intervention.

It is likely that a successful invasion, in which the US was an integral, active element, would attract an increasingly large segment of mainland discontents and would have more appeal for potential dissidents than would an operation narrowly identified with the Kuomintang. Some influential dissidents with strong personal prejudices, however, would steadfastly refuse to defect and it is uncertain whether key Communist military leaders, who may at present be unhappy with developments on the mainland, would defect to an invading force that included Kuomintang elements.

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